



**NEWS FROM THE OFFICE OF
ERIE COUNTY COMPTROLLER**

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FOR IMMEDIATE RELEASE

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Comptroller Shenk Releases 2nd Quarter Financial Report

ERIE COUNTY, NY—Today, Erie County Comptroller David J. Shenk released a [financial report](#) for the second quarter of 2012 to the Erie County Executive, Legislature and the Erie County Fiscal Stability Authority ("ECFSA"). This is the second such report that he has issued this year and provides an overview of the county's finances through the first six months of 2012.

"My mission is to guard the long-term fiscal health of Erie County," said Shenk. "Keeping the public and our policy makers informed is an important part of that mission. Erie County officials have an unfortunate history of focusing on the short-term, and it is my hope that these regular reports will provide citizens with the material they need to engage with their elected officials. An informed citizenry should play a role in the defense of our community's financial future."

Shenk found that during the first six months of 2012 the County experienced an estimated 2.73% increase in sales tax revenue, compared to the first six months of 2011. The final revenue amounts at June 30, 2012 will be known to the County in mid-August. Through June 30, 2012, the County has received 90.4% of the \$311,412,974 property tax, the same percentage as of June 30, 2011. Taxes remaining to be collected are at \$30,038,210, compared to \$29,170,042 at June 30, 2011.

Comptroller Shenk projects that the County will require up to an \$80 million revenue anticipation note ("RAN") to be issued in October 2012. This represents an increase over initial projections in the First Quarter report, due in large measure to an increase in the Disproportionate Share ("DSH") and Upper Payment Limit ("UPL") payments associated with ECMCC that the County is required to make under federal law. The County had budgeted \$16.2 million for 2012 however the payments could be as high as \$51 million. Traditionally payments are required between September and December 2012. Although ECMCC management has given the County assurances that the payments will be budget neutral through the use of

credits, offsets and other mechanisms, no formal agreement can be reached until the payments can be quantified.

Shenk continued his call for the creation of a comprehensive fund balance policy. Earlier this month the County Legislature unanimously passed the “Budget Modernization Act”, which brings the County Charter’s fund balance language into compliance with Governmental Accounting Standards Board Statement No. 54 (“GASB #54). However, the BMA does not create a comprehensive fund balance policy that would govern the use and replenishment of the fund balance, should the County need to draw from it. Shenk said “I am calling on the County Executive and the Legislature to work with my office to craft a well-developed and transparent comprehensive fund balance policy that (1) governs the use of the County’s fund balances, (2) contains specific plans for replenishing the level of unassigned fund balance if it should fall below the 5% established level, and (3) includes a more flexible provision for non-general funds.”

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